



U.S. Department of Housing and Urban Development
Wanamaker Building, Suite 1005
100 Penn Square East
Philadelphia, PA 19107-3380

District Inspector General for Audit

September 30, 1996

Audit Related Memorandum
No. 96-PH-209-1822

MEMORANDUM FOR: Malinda Roberts, Acting Director, Office of
Public Housing, Pennsylvania State Office,
3APH

FROM: Edward F. Momorella, District Inspector General
for Audit, Mid-Atlantic, 3AGA

SUBJECT: Citizen Complaint
Wilmington Housing Authority
Request for Proposal - Physical Needs Assessment
Wilmington, Delaware

INTRODUCTION

We reviewed the Wilmington Housing Authority's (Authority) contracting practices relating to a specific Request for Proposal (RFP) for a Physical Needs Assessment, to determine whether the Authority's methodology for contractor selection provided fair and open competition and whether the allegations that the scope of the RFP duplicates work previously performed in a prior contract were valid.

We interviewed Pennsylvania State Office and Authority staff, the complainant/non-selected respondent, and the Authority's architect. We also reviewed Pennsylvania State Office files and the Authority's procurement and contract files.

BACKGROUND

The Authority made the determination that a Physical Need Assessment was needed for its 2,580 public housing units and advertised in the local newspaper in January 1996 soliciting proposals for engineering services. Proposals received were evaluated by a committee of Authority staff using the following ranking factors:

<u>Maximum Points</u>	<u>Category</u>
25	Interest in performing services
50	Understanding the requested services
150	Evidence of ability to provide services
50	References
200	Profile of principals and staff
75	Cost of services

Five of ten contractors were selected for interviews based on their scores, and were subsequently ranked again, resulting in the highest ranking contractor being invited to negotiate a contract.

SUMMARY

Methodology for Contractor Selection

Based on discussions with Authority staff and review of its procurement files, we determined that the Authority's system for evaluating and rating proposals appeared to provide a fair opportunity for qualified contractors to participate in this RFP. Overall, the Authority in this case did not violate HUD requirements regarding competitive proposal procedures for qualifications - based procurement of architectural/engineering professional services. However, the Authority did not retain all of the score sheets of the contractors who were not granted an interview. We recommended the Authority keep all score sheets to document the history and rationale for each procurement.

Complainant Allegation

The complainant stated that the Authority solicited this RFP although the scope of the proposal duplicates the work his firm performed for the Authority in a previous contract. In addition, the complainant stated he alerted the Authority that the subject work had been performed and could be updated, and submitted a proposal, again reminding the Authority the work had been performed and could be updated. When the complainant was not awarded this contract he protested to the Authority, and claimed the Authority admitted that, although his work had been satisfactorily performed, they were at the point of executing a contract and feared legal action by the other party.

The current contract for the Physical Needs Assessment was awarded to the winning contractor for \$150,000. The Authority provided us with a copy of the previous contract with the complainant, executed on October 28, 1986, for a physical needs analysis for \$10,000, plus reimbursable expenses. Since this contract was executed ten years ago, the Authority did not have a detailed work product or progress report on the complainant. The Authority's Executive Director requested HUD staff to attempt to locate the work product, but they could not find this document. Accordingly, the Authority staff requested that the complainant provide his work product, and stated that if there was a duplication of scope they would consider reducing the amount of the current contract. To date, the complainant has not provided his work product or a formal written complaint to the Authority. In addition, Authority staff indicated that the complainant misunderstood a conversation regarding the performance of his work and that they did not specifically comment on the job he did ten years ago because of the lack of records.

The complainant contacted the HUD Pennsylvania State Office regarding this complaint. The HUD staff person responsible for monitoring the Authority requested him to submit his work product and written complaint to the HUD office, but to date, the complainant has not complied with this request.

Results of OIG Review

We believe the scope of the current RFP was larger and more detailed than the previous contract for a Physical Needs Assessment for various projects and scattered sites. Based on our limited review, some of the principal differences between the current RFP and the previous contract with the complainant were:

- The current contract includes scattered sites for review;

- The current contract requires a detailed energy conservation survey for 2,000 units; and
- The winning contractor will train and employ five Authority residents.

4

Moreover, it appears the previous contract resulted in the need for a current assessment of the Authority's properties.

We believe a review of the work produced under the 1986 contract with the complainant's firm and a comparison with the current RFP would have identified any areas of duplication, as alleged by the complainant. However, this information is apparently no longer available. Based on our limited review, therefore, we found no indications that the scope of the RFP duplicates the work previously performed by the complainant's firm. Accordingly, no further audit work is warranted at this time.

Should you have any questions, please contact Richard J DeCarlo, Assistant District Inspector General for Audit, at (215) 656-3401.

Attachment - Distribution.

Attachment

DISTRIBUTION

Acting Director, Office of Public Housing, Pennsylvania State
Office, 3APH
Secretary's Representative, 3AS
Internal Control & Audit Resolution Staff, 3AFI
Assistant to the Deputy Secretary for Field Management, SDF (Room
1706)
Comptroller/Audit Liaison Officer, PF (Room 4122) (5)
Acquisitions Librarian, AS (Room 8141)
Director, Participation & Compliance Division, HSLP (Room 9164)
Director, Division of Housing Finance Analysis, REF (Room 8204)
Chief Financial Officer, F (Room 10164) (2)
Deputy Chief Financial Officer for Operations, FO (Room 10164) (2)
Assistant Director in Charge, US GAO, 820 1st St. NE Union
Plaza, Bldg 2, Suite 150, Washington, DC 20002 (2)

Charlie H. Smith, Jr., PHM, Executive Director
Wilmington Housing Authority
Martin Luther King, Jr.
Administration Building
400 Walnut Street
Wilmington, Delaware 19801

CC: CIANCI
OSWALD

3AGA:DECARLO:AMP:09/17/96

Correspondence Code	3AGA			
Concurrence	DECARLO			
Date				



REPORT NAME: Citizen Complaint
 Wilmington Housing Authority
 Request for Proposal - Physical Needs Assessment
 Wilmington, Delaware

REPORT NO: 96-PH-209-1822

ISSUE DATE: September 30, 1996

REGIONAL OFFICE (NON-OIG)		
	Acting Director, Office of Public Housing, Pennsylvania State Office, 3APH	1
	Secretary's Representative, Mid-Atlantic, 3AS	1
	Internal Control & Audit Resolution Staff, 3AFI	1
HEADQUARTERS (NON-OIG)		
	Assistant to the Deputy Secretary for Field Management, SDF (Room 7106)	1
	Barbara Burkhalter, Comptroller/Audit Liaison Officer, PF (Room 4122)	5
	Acquisitions Librarian, Library, AS (Room 8141)	1
	Director, Participation & Compliance Division, HSLP (Room 9164)	1
	Director, Division of Housing Finance Analysis, REF (Room 8204)	1
	Chief Financial Officer, F (Room 10164)	2
	Deputy Chief Financial Officer for Operations, FO (Room 10164)	2
HEADQUARTERS (OIG)		
	James M. Martin, Director, Research & Planning Division, GAP (Room 8180)	1
	Michael R. Phelps, Deputy Assistant Inspector General for Audit, GA (Room 8286)	1
	Central Files, (Room 8266)	2
	Semi-Annual Report Coordinator, (Room 8254)	1
DISTRIBUTION OUTSIDE HUD		
	Assistant Director in Charge, US GAO, 820 1st St. NE Union Plaza, Bldg. 2, Suite 150, Washington, DC 20002 Attn: Mr. Cliff Fowler	2
	Charlie H. Smith, Jr., PHM, Executive Director Wilmington Housing Authority, Martin Luther King, Jr., Administrative Building, 400 Walnut Street, Wilmington, Delaware 19801	<u>1</u> <u>24</u>
	From: Edward F. Momorella, DIGA, Mid-Atlantic Wanamaker Building, Suite 1005 100 Penn Square East Philadelphia, PA 19107-3380	

CC: OSWALD
CIANCI

3AGA:DECARLO:AMP:09/13/96

Correspondence Code	3AGA			
Concurrence	DECARLO			
Date				